

## SUMMARY OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

November 17, 2023

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**  
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange  
 Securities Code Number: 8725  
 URL: <https://www.ms-ad-hd.com>  
 Representative: Noriyuki Hara, President & CEO  
 Contact: Corporate Communications and Investor Relations Dept.  
<https://www.ms-ad-hd.com/en/ir/contact.html>  
 Scheduled date to file the Quarterly Securities Report: November 17, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Explanatory material for business results: Available  
 IR Conference (for institutional investors and analysts): To be held

(Note) Amounts of less than one million yen are truncated.

### 1. Consolidated Financial Highlights for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income/(loss) attributable to owners of the parent	
Six months ended September 30, 2023	3,628,542	28.5 %	131,413	450.8 %	87,511	- %
Six months ended September 30, 2022	2,824,773	- %	23,856	- %	(1,159)	- %

Percent figures represent changes from the corresponding period of the preceding year.

(Note) Comprehensive income (Yen)  
 For the six months ended September 30, 2023: ¥ 564,591 million - %  
 For the six months ended September 30, 2022: ¥ (271,302) million - %

	Net income/(loss) attributable to owners of the parent per share - Basic	Net income/(loss) attributable to owners of the parent per share - Diluted
Six months ended September 30, 2023	164.29	164.25
Six months ended September 30, 2022	(2.13)	-

(Notes) 1. Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the six months ended September 30, 2023, since these entities have already adopted IFRS. The figures for the six months ended September 30, 2022 are presented on IFRS 17 basis retrospectively. Change ratios for the six months ended September 30, 2022 are not available and not presented on this table.  
 2. Net income/(loss) attributable to owners of the parent per share - Diluted for the six-month period ended September 30, 2022 is not shown in the above table because the result for this period was a net loss per share, although there are dilutive potential shares.

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
September 30, 2023	25,662,452	3,627,944	13.9 %
March 31, 2023	24,349,984	3,139,501	12.7 %

(Reference) Net assets less non-controlling interests (Yen)  
 As of September 30, 2023: ¥ 3,577,911 million  
 As of March 31, 2023: ¥ 3,091,561 million

(Note) Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the six months ended September 30, 2023, since these entities have already adopted IFRS. The figures as of March 31, 2023 are presented on IFRS 17 basis retrospectively.

### 2. Dividends (Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2023	-	100.00	-	100.00	100.00
Year ending March 31, 2024	-	120.00	/	/	/
Year ending March 31, 2024 (Forecast)	/	/	-	120.00	240.00

(Note) Revision of the latest announced dividends per share forecast: None

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
Year ending March 31, 2024	400,000	36.9 %	280,000	32.7 %	526.83

Percent figures represent changes from the preceding year.

(Note) Revision of the latest announced earnings forecasts: Yes

**\* Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates and restatements

1. Changes in accounting policies due to revisions of accounting standards: Yes

2. Changes in accounting policies other than above: None

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to "Changes in Accounting Policies" on page 7 of the Appendix.

(3) Number of shares of issued stock (common stock)

1. Number of shares of issued stock (including treasury stock)

As of September 30, 2023: 536,071,400 shares

As of March 31, 2023: 535,967,347 shares

2. Number of shares of treasury stock

As of September 30, 2023: 5,769,575 shares

As of March 31, 2023: 1,698,413 shares

3. Average number of shares of outstanding stock

For the six months ended September 30, 2023: 532,644,968 shares

For the six months ended September 30, 2022: 543,286,346 shares

**\* This report is unaudited.**

**\* Notes to the earnings forecasts and others**

(1) Any earnings forecasts in this report have been made based on the information available to MS&AD Insurance Group Holdings, Inc. ("the Company") as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance.

Actual results may differ substantially from these forecasts depending on various factors. For key assumptions of the earnings forecasts and other relevant information, please refer to "4. Earnings Forecasts" on page 15 of "Explanatory Material for Business Results for the Six Months Ended September 30, 2023". The forecast of consolidated ordinary income for the current fiscal year is not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

(2) The Company made its interim consolidated financial statements for the first half of the fiscal year, as required for specified companies which operate the businesses defined in the Article 17-15 Paragraph 2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

[Appendix]

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**[Attachment]**

Explanatory Material for Business Results for the Six Months Ended September 30, 2023

# Consolidated Financial Statements and Main Notes

## 1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2023	September 30, 2023
<b>Assets</b>		
Cash, deposits and savings	2,771,981	2,882,904
Monetary claims bought	142,976	157,346
Money trusts	2,082,012	2,204,933
Investments in securities	16,144,021	17,152,387
Loans	959,478	980,050
Tangible fixed assets	476,711	471,162
Intangible fixed assets	496,124	508,054
Other assets	1,116,656	1,199,757
Assets for retirement benefits	36,372	41,208
Deferred tax assets	102,114	48,378
Customers' liabilities under acceptances and guarantees	27,524	23,697
Bad debt reserve	(5,990)	(7,431)
<b>Total assets</b>	<b>24,349,984</b>	<b>25,662,452</b>
<b>Liabilities</b>		
Policy liabilities:	18,357,164	19,073,218
Outstanding claims	2,590,000	2,734,475
Underwriting reserves	15,767,164	16,338,742
Bonds issued	714,743	715,118
Other liabilities	1,628,137	1,678,830
Liabilities for pension and retirement benefits	141,137	144,632
Reserve for retirement benefits for officers	133	106
Accrued bonuses for employees	28,444	25,433
Reserve for stock payments	1,009	1,514
Reserves under the special laws:	277,998	284,144
Reserve for price fluctuation	277,998	284,144
Deferred tax liabilities	34,190	87,810
Acceptances and guarantees	27,524	23,697
<b>Total liabilities</b>	<b>21,210,482</b>	<b>22,034,507</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock	100,808	101,076
Capital surplus	345,144	345,378
Retained earnings	1,383,907	1,416,445
Treasury stock	(6,662)	(27,443)
<b>Total shareholders' equity</b>	<b>1,823,199</b>	<b>1,835,456</b>
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,216,563	1,578,290
Net deferred gains/(losses) on hedges	(21,996)	(73,284)
Foreign currency translation adjustments	80,611	254,869
Accumulated actuarial gains/(losses) on retirement benefits	(9,448)	(9,291)
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	2,632	(8,128)
<b>Total accumulated other comprehensive income</b>	<b>1,268,362</b>	<b>1,742,454</b>
Stock acquisition rights	558	391
Non-controlling interests	47,381	49,641
<b>Total net assets</b>	<b>3,139,501</b>	<b>3,627,944</b>
<b>Total liabilities and net assets</b>	<b>24,349,984</b>	<b>25,662,452</b>

## 2. Consolidated Statements of Income and Comprehensive Income (Consolidated Statements of Income)

(Yen in millions)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Ordinary income:	2,824,773	3,628,542
Underwriting income:	2,139,950	2,809,632
Net premiums written	2,096,240	2,270,021
Deposit premiums from policyholders	22,632	18,219
Investment income on deposit premiums from policyholders	16,838	17,031
Life insurance premiums	(12,026)	476,012
Investment income:	672,290	791,849
Interest and dividends income	173,814	193,418
Investment gains on money trusts	289,145	243,959
Investment gains on trading securities	-	21,934
Gains on sales of securities	72,431	84,342
Gains on derivative transactions	52,811	-
Investment gains on separate accounts	-	80,670
Transfer of investment income on deposit premiums from policyholders	(16,838)	(17,031)
Other ordinary income	12,531	27,060
Ordinary expenses:	2,800,916	3,497,129
Underwriting expenses:	2,260,520	2,982,943
Net claims paid	1,044,171	1,085,949
Loss adjustment expenses	102,213	108,968
Commissions and collection expenses	389,143	420,589
Maturity refunds to policyholders	76,214	69,404
Life insurance claims	217,607	269,892
Provision for outstanding claims	167,665	221,512
Provision for underwriting reserves	256,640	803,722
Investment expenses:	181,854	117,648
Investment losses on money trusts	49,512	67,081
Investment losses on trading securities	24,178	-
Losses on sales of securities	23,851	15,219
Impairment losses on securities	13,348	2,043
Losses on derivative transactions	-	27,569
Investment losses on separate accounts	66,695	-
Operating expenses and general and administrative expenses	346,368	378,779
Other ordinary expenses:	12,172	17,757
Interest expense	5,422	5,289
Ordinary profit	23,856	131,413
Extraordinary income:	305	133
Gains on sales of fixed assets	305	133
Extraordinary losses:	13,296	11,192
Losses on sales of fixed assets	6,155	2,378
Impairment losses on fixed assets	1,331	2,666
Provision for reserves under the special laws:	5,809	6,146
Provision for reserve for price fluctuation	5,809	6,146
Income before income taxes	10,865	120,354
Income taxes - current	12,794	34,963
Income taxes - deferred	(2,819)	(3,850)
Total income taxes	9,975	31,113
Net income	890	89,241
Net income attributable to non-controlling interests	2,049	1,729
Net income/(loss) attributable to owners of the parent	(1,159)	87,511

## (Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net income	890	89,241
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	(446,804)	341,204
Net deferred gains/(losses) on hedges	(29,515)	(52,148)
Foreign currency translation adjustments	174,248	159,891
Accumulated actuarial gains/(losses) on retirement benefits	(951)	156
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	5,365	(615)
Share of other comprehensive income of equity method investments	25,465	26,861
Total other comprehensive income	<u>(272,192)</u>	<u>475,349</u>
Total comprehensive income	<u>(271,302)</u>	<u>564,591</u>
Allocation:		
Comprehensive income attributable to owners of the parent	(278,120)	558,613
Comprehensive income attributable to non-controlling interests	6,818	5,977

### 3. Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,534	553,680	1,251,280	(159,850)	1,745,644
Cumulative effect of changing accounting policies			28,503		28,503
Beginning balance (adjusted)	100,534	553,680	1,279,783	(159,850)	1,774,148
Changes for the six months:					
Issuance of new shares	274	274			548
Dividends paid			(53,355)		(53,355)
Net income/(loss) attributable to owners of the parent			(1,159)		(1,159)
Repurchase of treasury stock				(54,919)	(54,919)
Disposal of treasury stock		(8)		212	204
Changes in equity resulting from increase in capital of consolidated subsidiaries		(19)			(19)
Changes in equity resulting from transactions with non-controlling shareholders		(850)			(850)
Net changes of items other than shareholders' equity					
Total changes for the six months	274	(603)	(54,514)	(54,706)	(109,549)
Ending balance	100,808	553,077	1,225,268	(214,556)	1,664,598

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains/(losses) on investments in securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	Total accumulated other comprehensive income			
Beginning balance	1,565,167	(998)	(52,492)	1,566	-	1,513,242	762	43,099	3,302,749
Cumulative effect of changing accounting policies					(1,924)	(1,924)		1,460	28,039
Beginning balance (adjusted)	1,565,167	(998)	(52,492)	1,566	(1,924)	1,511,318	762	44,559	3,330,789
Changes for the six months:									
Issuance of new shares									548
Dividends paid									(53,355)
Net income/(loss) attributable to owners of the parent									(1,159)
Repurchase of treasury stock									(54,919)
Disposal of treasury stock									204
Changes in equity resulting from increase in capital of consolidated subsidiaries									(19)
Changes in equity resulting from transactions with non-controlling shareholders									(850)
Net changes of items other than shareholders' equity	(446,926)	(29,352)	196,162	(955)	4,110	(276,961)	(203)	2,938	(274,226)
Total changes for the six months	(446,926)	(29,352)	196,162	(955)	4,110	(276,961)	(203)	2,938	(383,776)
Ending balance	1,118,240	(30,351)	143,670	611	2,186	1,234,357	558	47,498	2,947,012

**For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)**

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,808	345,144	1,383,907	(6,662)	1,823,199
Cumulative effect of changing accounting policies			(1,448)		(1,448)
Beginning balance (adjusted)	100,808	345,144	1,382,459	(6,662)	1,821,750
Changes for the six months:					
Issuance of new shares	267	267			534
Dividends paid			(53,525)		(53,525)
Net income attributable to owners of the parent			87,511		87,511
Repurchase of treasury stock				(20,976)	(20,976)
Disposal of treasury stock		(26)		195	168
Changes in equity resulting from increase in capital of consolidated subsidiaries		(17)			(17)
Changes in equity resulting from transactions with non-controlling shareholders		11			11
Net changes of items other than shareholders' equity					
Total changes for the six months	267	234	33,985	(20,780)	13,706
Ending balance	101,076	345,378	1,416,445	(27,443)	1,835,456

	Accumulated other comprehensive income						Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains/(losses) on investments in securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	Total accumulated other comprehensive income			
Beginning balance	1,216,563	(21,996)	80,611	(9,448)	2,632	1,268,362	558	47,381	3,139,501
Cumulative effect of changing accounting policies	2,961					2,961			1,513
Beginning balance (adjusted)	1,219,525	(21,996)	80,611	(9,448)	2,632	1,271,324	558	47,381	3,141,015
Changes for the six months:									
Issuance of new shares									534
Dividends paid									(53,525)
Net income attributable to owners of the parent									87,511
Repurchase of treasury stock									(20,976)
Disposal of treasury stock									168
Changes in equity resulting from increase in capital of consolidated subsidiaries									(17)
Changes in equity resulting from transactions with non-controlling shareholders									11
Net changes of items other than shareholders' equity	358,764	(51,287)	174,258	156	(10,761)	471,130	(167)	2,259	473,222
Total changes for the six months	358,764	(51,287)	174,258	156	(10,761)	471,130	(167)	2,259	486,929
Ending balance	1,578,290	(73,284)	254,869	(9,291)	(8,128)	1,742,454	391	49,641	3,627,944

## 4. Notes to Consolidated Financial Statements

### (Note on Going Concern)

Not applicable.

### (Changes in Accounting Policies)

(Application of IFRS 9 Financial Instruments)

Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 9 "Financial Instruments" from the beginning of the period for the six months ended September 30, 2023, since these entities have already adopted IFRS. Therefore, the principles for classification and measurement of financial instruments have been changed. According to the transitional arrangements of IFRS 9, accumulated transitional impacts were adjusted on Retained earnings and Accumulated other comprehensive income at the beginning of the period for the six months ended September 30, 2023. As a result, a decrease of ¥1,448 million on Retained earnings and an increase of ¥2,961 million of Net unrealized gains on investments in securities were recorded at the beginning of the period for the six months ended September 30, 2023. In addition, an increase of ¥4,721 million was recorded respectively on Ordinary profit and Income before income taxes for the period for the six months ended September 30, 2023.

(Application of IFRS 17 Insurance Contracts)

Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contract" from the beginning of the period for the six months ended September 30, 2023, since these entities have already adopted IFRS. Therefore, policy liabilities are measured by reflecting time value of money, financial risks and non-financial risks related to future cash flows of insurance contracts.

In terms of transition from IFRS 4 to IFRS 17, consolidated financial statements for the period for the six months ended September 30, 2022 and for the year ended March 31, 2023 were retrospectively restated. Compared to the results of the six months ended September 30, 2022 under IFRS 4, Ordinary profit and Income before income taxes were increased by ¥39,074 million for the six months ended September 30, 2022, mainly due to a decrease of ¥43,759 million in Provision for outstanding claims. In addition, ¥5,316 million of investment in associates, ¥627,121 million of Other assets and ¥20,707 million of Deferred tax assets decreased respectively on the total assets for the year ended March 31, 2023. As for the total liabilities for the year ended March 31, 2023, decreases of ¥512,434 million of Policy liabilities and ¥224,255 million of Other liabilities, an increase of ¥3,012 million of Deferred tax liabilities were recorded respectively. According to the reflection of retrospective impacts to net assets for the year ended March 31, 2023, increases of ¥28,503 million of Retained earnings and ¥1,460 million of non-controlling interests, a decrease of ¥1,924 million of Accumulated other comprehensive income arising from Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc. were recorded respectively.